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**ARDIS D. RUSSELL**  
*Certified Public Accountant*  
333 NORTH MAIN STREET, SUITE C  
P. O. BOX 1105  
YAZOO CITY, MISSISSIPPI 39194

PHONE (662) 746-4900 - FAX (662) 746-4951  
e-mail: ardis@tecinfo.com

MEMBER:  
American Institute of  
Certified Public Accountants  
Mississippi Society of  
Certified Public Accountants

April 16, 2015

Mayor and Board of Aldermen  
Town of Satartia  
Satartia, MS 39162

We have compiled the statement of cash receipts and disbursements- all fund types of the Town of Satartia for the year ended September 30, 2014, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 1, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town of Satartia are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended September 30, 2014. We noted no transaction entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The financial statement disclosures are neutral, constant, and clear.

4/16/2015

### Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

### Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 16, 2015.

### Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the town's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition of our retention.

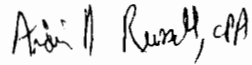
### Other Information in Documents Containing Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary

information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Mayor and Board of Aldermen and management of the Town of Sartartia and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely yours,

A handwritten signature in black ink that reads "Ardis D. Russell, CPA". The signature is written in a cursive, slightly slanted style.

Ardis D. Russell, CPA

# **TOWN OF SATARTIA**

## **COMPILATION OF CERTAIN FINANCIAL INFORMATION AND**

### **REPORT ON AGREED-UPON PROCEDURES**

**FISCAL YEAR ENDING SEPTEMBER 30, 2014**

**Ardis D. Russell  
Certified Public Accountant  
Yazoo City, Mississippi**

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**Certified Public Accountant**  
333 NORTH MAIN STREET, SUITE C  
P. O. BOX 1105  
YAZOO CITY, MISSISSIPPI 39194

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April 16, 2015

Honorable Mayor and Board of Aldermen  
Town of Satartia  
Satartia, Mississippi 39162

We have compiled the accompanying balance sheet and related statement of cash receipts and disbursements – all fund types of the Town of Satartia for the year ended September 30, 2014, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying statement of cash receipts and disbursements –all fund types and, accordingly, do not express an opinion or any other form of assurance on it.

The town's policy is to prepare its financial statement on the basis of cash receipts and disbursements; consequently, certain revenue is recognized when received rather than when measurable and available, and certain expenditures are recognized when paid rather than when the obligation is incurred. Accordingly, the statement of cash receipts and disbursements — all fund types is not intended to present results of operations, in conformity with generally accepted accounting principles.

The supplementary information contained on pages 8 through 9 is presented for purposes of additional analysis and has been compiled by us from information that is the representation of management of the Town of Satartia, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on such supplementary information.

*Ardis D. Russell, CPA*

Ardis D. Russell, C.P.A.

TOWN OF SATARTIA, MISSISSIPPI  
BALANCE SHEET  
SEPTEMBER 30, 2014

	Governmental Fund General	General Fixed Assets	Totals (Memorandum Only) <u>Year Ended</u>	
			Sept. 30, 2014	Sept. 30, 2013
<u>ASSETS</u>				
Petty cash	\$ 200		\$ 200	\$ 200
Cash on hand in Bank of Yazoo City:				
Checking account #5171996	1,893		1,893	4,795
Checking account #5171988	2,093		2,093	1,859
Money Market account #6243265	9,765		9,765	11,761
Certificate of Deposit #63817	49,887		49,887	49,762
Certificate of Deposit #63819	12,118		12,118	12,087
Interest receivable	32		32	52
Lot		\$ 3,037	3,037	3,037
Water well		297,462	297,462	297,462
Building		35,503	35,503	35,503
Chlorinators		1,890	1,890	1,940
Ejectors		1,582	1,582	1,582
Chlorinator building		1,959	1,959	1,959
Drainage improvements		67,090	67,090	67,090
TOTAL ASSETS	<u>\$ 75,988</u>	<u>\$ 408,523</u>	<u>\$ 484,511</u>	<u>\$ 489,039</u>
 <u>FUND BALANCES</u>				
Unreserved and undesignated	<u>\$ 75,988</u>		<u>\$ 75,988</u>	<u>\$ 80,516</u>
Total Fund Balances	<u>75,988</u>		<u>75,988</u>	<u>80,516</u>
INVESTMENT IN GENERAL FIXED ASSETS		<u>\$ 408,523</u>	<u>\$ 408,523</u>	<u>408,523</u>
TOTAL FUND BALANCES AND INVESTMENT IN GENERAL FIXED ASSETS	<u>\$ 75,988</u>	<u>\$ 408,523</u>	<u>\$ 484,511</u>	<u>\$ 489,039</u>

SEE ACCOUNTANT'S COMPILATION REPORT



TOWN OF SATARTIA, MISSISSIPPI  
COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS -  
ALL FUND TYPES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

	Governmental Fund <u>General</u>	Proprietary Fund <u>Water</u>	Totals (Memorandum Only) <u>Year Ended</u> Sept. 30, <u>2014</u>	Sept. 30, <u>2013</u>
<u>CASH RECEIPTS</u>				
Intergovernmental Receipts:				
State Shared Receipts:				
Municipal Aid	\$ 27		\$ 27	\$ 27
Sales Tax	3,261		3,261	4,789
Gasoline Tax	147		147	147
Fire Protection	299		299	293
FEMA				573
Charges for Services:				
Water Utility		\$ 7,475	7,475	7,620
Interest Earned	135	5	140	262
Franchise Fees - YVEPA	1,708		1,708	1,548
Transfers In	<u>          </u>	<u>1,760</u>	<u>1,760</u>	<u>1,404</u>
 TOTAL CASH RECEIPTS	 <u>\$ 5,577</u>	 <u>\$ 9,240</u>	 <u>\$14,817</u>	 <u>\$ 16,663</u>

SEE ACCOUNTANT'S COMPILATION REPORT

TOWN OF SATARTIA, MISSISSIPPI  
COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS -  
ALL FUND TYPES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

			Totals (Memorandum Only) <u>Year Ended</u>	
	Governmental Fund <u>General</u>	Proprietary Fund <u>Water</u>	Sept. 30, <u>2014</u>	Sept. 30, <u>2013</u>
<u>CASH DISBURSEMENTS</u>				
General Government	\$ 8,345		\$ 8,345	\$ 8,291
Fixed Assets				
Enterprises:				
Water Utility		\$ 9,240	9,240	9,039
<u>OTHER</u>				
Transfers out	<u>1,760</u>	<u>          </u>	<u>1,760</u>	<u>1,404</u>
<b>TOTAL CASH DISBURSEMENTS</b>	<u><b>10,105</b></u>	<u><b>9,240</b></u>	<u><b>19,345</b></u>	<u><b>18,734</b></u>
<b>EXCESS (DEFICIT) OF CASH RECEIPTS OVER CASH DISBURSEMENTS</b>	<b>(4,528)</b>		<b>(4,528)</b>	<b>(2,071)</b>
<b>FUND BALANCES, Beginning of Year</b>	<u><b>80,516</b></u>		<u><b>80,516</b></u>	<u><b>82,587</b></u>
 <b>FUND BALANCES, End of Year</b>	 <u><b>\$ 75,988</b></u>		 <u><b>\$ 75,988</b></u>	 <u><b>\$ 80,516</b></u>

SEE ACCOUNTANT'S COMPILATION REPORT

**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of the Town of Satartia (the Town) is presented to assist in understanding the Town's (the primary government) financial statements. The Town has no component units. The financial statements and notes are representations of the Town's management who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

**A. Description of the Town**

The Town of Satartia is incorporated under the laws of the State of Mississippi.

**B. Basis of Presentation- Fund Accounting**

The accounts of the Town are organized on the basis of funds and accounts groups, each of which is considered a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, except as noted. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into fund types and broad fund categories as follows:

**GOVERNMENTAL FUNDS**

**General Fund** – The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

**Proprietary Fund - Water** – The Town accounts for its water as an enterprise fund. Enterprise funds account for activities that are financed and operated in a manner similar to private businesses, where periodic determination of revenue earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

**ACCOUNT GROUPS**

**General Fixed Assets Account Group** – General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisitions and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014

C. Basis of Accounting

The cash receipts and disbursements basis of accounting is followed by the governmental funds.

D. Assets, Liabilities, and Fund Equity

1. Investments

Investments are stated at cost. The schedules of investments are on page 8.

2. Comparative Data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Town's financial position and operations.

3. Total Columns of the Combined Statements – Overview

Total columns on the Combined Statements – Overview are captioned Total Memo Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

II. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. Assets

1. Cash Deposits

The carrying amount of the Town's deposits with a financial institution was \$75,756 and bank balance was \$75,514. The bank balance is categorized as follows:

Amount insured by the F.D.I.C.	\$ 75,514
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Amount collateralized with securities held by  
the pledging financial institution's trust  
department or agent in the Town's name

Total Bank Balance Insured or Collateralized	\$ 75,514
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The uninsured bank balance at September 30, 2014, was -0-% This uninsured bank balance was required to be collateralized in the amount of 105%. The uninsured bank balance at September 30, 2014, was collateralized in an amount equal to or greater than the legally required amount.

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014

2. Investments are stated at cost. The schedules of investments are on page 8.

3. Changes in General Fixed Assets

The following is a summary of the changes in the general fixed assets account group from October 1, 2013 to September 30, 2014.

	<u>Balance</u> <u>10/01/13</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>9/30/14</u>
Lot	\$ 3,037			\$ 3,037
Buildings	35,503			35,503
Water well	297,462			297,462
Chlorinators	1,890			1,890
Ejectors	1,582			1,582
Chlorinator building	1,959			1,959
Drainage improvements	<u>67,090</u>			<u>67,090</u>
Total general fixed assets	<u>\$ 408,523</u>			<u>\$ 408,523</u>

TOWN OF SATARTIA, MISSISSIPPI  
SCHEDULE OF INVESTMENTS – ALL FUNDS  
SEPTEMBER 30, 2014

GENERAL FUND:

Bank of Yazoo City

.25% Certificate of Deposit #63817

Dated July 16, 2011, Due July 16, 2015

\$ 49,887

.25% Certificate of Deposit #63819

Dated July 16, 2011, Due July 16, 2015

12,118

Money Market Account #6243265

9,765

TOTAL INVESTMENTS

\$ 71,770

SEE ACCOUNTANT'S COMPILATION REPORT

TOWN OF SATARTIA, MISSISSIPPI  
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS  
SEPTEMBER 30, 2014

UNAUDITED

<u>Name</u>	<u>Position</u>	<u>Surety</u>	<u>Bond Amount</u>
Kathy Nesbit	Mayor	Travelers Casualty	\$10,000
Marguerite Vinson	Alderman	Travelers Casualty	\$10,000
Todd Hart	Alderman	Travelers Casualty	\$10,000
Benji Ragland, Jr.	Alderman	Travelers Casualty	\$10,000
Mike Harris	City Clerk	Travelers Casualty	\$50,000
	Water Operator Clerk	Travelers Casualty	\$50,000
Ross Nesbit	Town Marshall	Travelers Casualty	\$10,000

**ARDIS D. RUSSELL**  
**Certified Public Accountant**  
333 NORTH MAIN STREET, SUITE C  
P. O. BOX 1105  
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American Institute of  
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April 16, 2015

**INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED-UPON PROCEDURES**

Honorable Mayor and  
Board of Aldermen  
Town of Satartia  
Satartia, Mississippi 39162

We have performed the procedures enumerated below, which were agreed to by the Office of the State Auditor, to the accounting records of the Town of Satartia solely to assist the Office of the State Auditor, to evaluate the Town of Satartia's compliance with certain laws and regulations as of September 30, 2014 and for the year then ended. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Office of the State Auditor, State of Mississippi. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. We reconciled cash on deposit with the following banks to balances in the respective general ledger accounts and obtained confirmation of the related balances from the banks:

<u>Bank</u>	<u>Fund</u>	<u>General Ledger Balance</u>
Bank of Yazoo City	General	\$ 1,893
Bank of Yazoo City	General	2,093
Bank of Yazoo City	General	49,887
Bank of Yazoo City	General	12,118
Bank of Yazoo City	General	9,765

2. We obtained a statement of payments made by Department of Finance and Administration to the municipality. Payments indicated were traced to deposit in the respective bank accounts and recorded in the general ledger without exception. Payments traced were as follows:



<u>Payment Purpose</u>	<u>Receiving Fund</u>	<u>General Ledger Amount</u>
Municipal Aid	General Fund	\$ 27
Sales Tax Allocation	General Fund	3,261
Gasoline Tax	General Fund	147
Fire Protection	General Fund	299

3. We selected a sample of purchases made by the Town during the year. Each sample item was evaluated for compliance with the public purchasing requirements set forth in Sections 31-7-1, 37-7-13, 31-7-49 and 31-7-57, Mississippi Code, 1972, Annotated, as applicable.

The sample consisted of the following:

Number of Sample Items	77
Dollar Value of Sample	\$ 12,694

We found the Town's purchasing procedures to be in compliance with the above sections.

4. We have read the Municipal Compliance Questionnaire completed by the municipality. The following response to the questionnaire indicates noncompliance with state requirement.
- A. The municipal clerk does not submit to the board a monthly report of expenditures against each budget item for the preceding month and fiscal year to date and the unexpended balances of each budget item.

Because the above procedures do not constitute in accordance with generally accepted auditing standards, we do not express an opinion on any of the specific accounts or classes of transactions referred to above. In connection with the procedures referred to above, no matters came to our attention that caused us to believe the items specified in Paragraphs 1 and 2 should be adjusted. Had we performed additional procedures or had we conducted an audit of the financial statements in accordance with generally accepted auditing standards, matters might have come to our attention that would have been reported to you. This report should not be associated with the financial statements of the Town of Satartia, Mississippi, for the year ended September 30, 2014.

Ardis D. Russell, C. P. A.

**Town of Satartia  
P. O. Box 42  
Satartia, MS 39162**

**May 22, 2015**

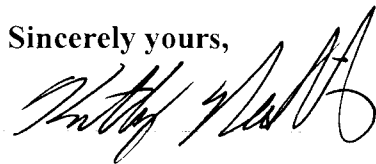
**Office of the State Auditor  
P. O. Box 956  
Jackson, MS 39205**

**RE: Annual Municipal Compilation**

**Department of Technical Assistance**

**Accompanying this letter are two copies of the annual compilation of certain financial information and report on agree-upon procedures for the fiscal year ended September 30, 2014 the Town of Satartia, Mississippi. In connection with this compilation, a separate management letter was not written in the town**

**Sincerely yours,**

A handwritten signature in black ink, appearing to read 'Kathleen Nesbit', written over a horizontal line.

**KATHLEEN NESBIT  
Mayor**

**JUN 01 2015**